## Abstract of the Disclosure

## Transferring watermarked material.

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A system for watermarking and transferring watermarked material comprises a transaction server, first and second clients, first apparatus for applying a perceptible watermark to the material and second apparatus for removing the watermark. The server, clients and first and second apparatus are linked by one or more communications networks. The system is arranged to implement the steps of:

transferring from the transaction server to the first apparatus (i) data for creating a watermark, the creating data including (a) data defining an invertible algorithm and (b) data for creating at least one security key associated with the algorithm and (ii) data for creating a material identifier;

using the said first apparatus to apply a material identifier to the material and applying a watermark to the material, using the said creating data;

transferring from the first client to the transaction server the said material identifier and data for inverting the algorithm including the said at least one key;

transferring the watermarked material to the second apparatus;

deriving the said material identifier from the material;

transferring the identifier from the second client to the transaction server;

subject to predetermined conditions being satisfied, transferring from the transaction server to the second apparatus watermark removal data associated with the said material identifier, the removal data including at least one key and data defining an algorithm for removing the watermark in conjunction with the key; and

using the second apparatus to remove the watermark using the said removal data.

[No Figure].